

United States Department of Agriculture



Natural Resources Conservation Service
75 High Street, Room 301
Morgantown, WV 26505

August 17, 2007

WEST VIRGINIA BULLETIN NO. 300-7- 24

SUBJECT: LTP - 2002 Funds for Contract Increases

Purpose: To provide information on changes to fund code use for Farm Bill contract modifications

Expiration Date: September 30, 2007

Background: Beginning October 1, 2007, cost overrun accounts for 2002 FRPP, EQIP, WHIP, and WRP will no longer be available for payment increases.

Increases in FRPP, EQIP, WHIP, and WRP contract funds come from accounts appropriated for the fiscal year in which the contract was written. Beginning with 2002 funds in FY 08, recovered funds will no longer be available for any use. Starting October 1, 2007, 2002 contract increases must come from current year funds. This process will continue as shown in the chart below.

Budget Fiscal Year Obligations	Fiscal Year where mod increases use current year dollars.
2002	2008
2003	2009
2004	2010
2005	2011
2006	2012

CCC transferred funds for contracts written under the 1996 Farm Bill to NRCS in 2005. Therefore, contracts funded before 2002 will use recovered funds for increases until FY 2011.

Completed items from 2002 contracts submitted for payment before the FFIS shutdown on September 21, can receive payment increases from the 2002 recovered funds account. There will be no payment increases for 2002 contract items after September 21 until 2008 funds are appropriated. This will have no effect on regular payments, only those requiring increases. To keep current year funds available for new contracts, you should modify all 2002 contracts with needed increases before ProTracts shutdown on September 21, 2007.

If you have questions concerning the guidance in this memo, please contact your supervisor or the Programs staff.

/s/

KEVIN WICKEY
State Conservationist

Dist: A,F

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